



U.S. DEPARTMENT OF ENERGY  
Office of Electricity Delivery and  
Energy Reliability

# ENERGY ASSURANCE DAILY

Thursday, April 20, 2006

## *Electricity*

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### **Enbridge's 200 MW Wind Power Plant Completes Environmental Screening**

Enbridge Ontario Wind Power completed the Environmental Screening report at its 200 MW wind power plant to be built in Bruce County, Ontario. The project is to complete as early as 2007. Once completed, the plant will supply power to 70,000 customers in Ontario via 121 wind turbine generators, each with 1,650 KW of capacity.

<http://biz.yahoo.com/ccn/060419/200604190322548001.html?v=1&printer=1>

### **Heavy Snow Creates Surplus of Hydro Power around Columbia River Basin**

2006 is predicted to be a good year for hydropower in the Pacific Northwest around Columbia River Basin. Thanks to the heavy winter snow, the region will have an average of 8000 MW of surplus capacity by July.

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=6578453](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6578453)

### **TXU's 750 MW Coal-fired Martin Lake 1 in Texas Returns to Service April 20**

The unit shut earlier this week to fix a tube leak. The unit experienced the problem when exiting a maintenance outage.

Reuters, 11:30 April 20, 2006.

### **AEP's 690 MW Coal-fired Oklaunion Station in Texas Shut April 19**

The company shut the unit to fix a boiler tube rupture. The unit is expected to return on April 23.

Reuters, 08:15 April 20, 2006.

### **Entergy's 825 MW FitzPatrick Nuke in New York Reduced to 50 Percent April 19**

The unit, previously running at 90 percent, was reduced to allow repair work on a feedwater pump.

Reuters, 17:24 April 19, 2006.

## *Petroleum*

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### **Virginia Experiencing Gasoline Supply Problems Due to MTBE Phase-Out**

According to Energy Information Administration (EIA), signs of supply shortages of reformulated gasoline without the additive MTBE have already begun to surface. Refiners will stop making RFG with the MTBE and replace it with ethanol. Analysts forecast that the switchover will tighten the market and cause price spikes in certain areas, particularly along the East Coast and major cities in Texas. In Virginia, the Tidewater, Richmond and Virginia Beach areas are already having problems getting sufficient supply.

<http://www.platts.com/Petrochemicals/News/7399229.xml?p=Petrochemicals/News&sub=Petrochemicals>

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

### **U.S. Oil Companies Experiencing Truck Shortages Due to MTBE Phase-Out**

As the May 5 switch from MTBE to ethanol approaches, U.S. oil companies are scrambling to find enough trucks to move the new fuel additive to market. Ethanol, unlike conventional fuels, cannot be moved by pipeline because it easily absorbs water; instead, it must be transported by truck, rail or barge. An already tight labor market compounds a shortage of trucks capable of transporting the ethanol.

Reuters, 14:06 April 20, 2006.

**European Gasoline Exports to U.S. Up Due to Low U.S. Stocks**

European gasoline exporters are increasing supply to the United States because of arbitrage opportunities triggered by recent sharp drops in U.S. gasoline stocks as the summer driving season approaches. European suppliers have increased total loadings this month to 1.8 million tons (15.4 million barrels) this month, up 0.5 million tons from this month last year.

Reuters, 13:17 April 20, 2006.

**Exxon Mobil Reverses Crude Pipeline to Supply Canadian Crude to Gulf Coast**

Exxon Mobil has completed the reversal of two crude oil pipelines to enable Canadian crude to access Gulf Coast markets. The 66,000 b/d line ran from Nederland, Texas to Patoka, Illinois before the reversal. In recent years, Patoka has become a major hub for Canadian crude oil produced from Alberta's tar sands. It accesses Canadian supply via the Express/Platte pipeline and the Enbridge Lakehead System, which flows into Chicago and is then pumped south via the Chicag pipeline.

Reuters, 11:22 April 20, 2006.

Map: [http://www.exxonmobilpipeline.com/Images/EMPCo/750XV\\_CentralNorth.jpg](http://www.exxonmobilpipeline.com/Images/EMPCo/750XV_CentralNorth.jpg)

**Husky Looking For U.S. Partner to Develop Alberta Oil Sands**

Husky Energy Inc. is looking for a U.S. refining partner for its proposed Sunrise Oil Sands Project, which could produce as much as 200,000 b/d from Alberta's oil sands within eight years.

Reuters, 16:50 April 19, 2006.

**Labor Shortage Hinders Oil Sand Expansion in Alberta, Canada**

Labor shortage and rising labor wages in industrial construction are hindering construction of new utility facilities in Canada. Notably, according to the head of Husky Energy Inc., John Lau, his company has ruled out building an upgrader for a planned oils sands expansion in Alberta. He warns that any industrial construction in Canada will be affected by the labor shortfall, which is spreading to the rest of Alberta and Canada. He believes that companies are likely to face "cost overruns and delays."

<http://www.theglobeandmail.com/servlet/story/LAC.20060420.RHUSKY20/TPStory/Business>

**U.S. Upset Over Ecuador's New Hydrocarbon Reform Law**

The U.S. has warned Ecuador that a proposed free-trade agreement is at risk because of an oil reform bill passed by the Ecuadorian Congress. The bill requires U.S.-based Occidental and other foreign oil companies to give the government 50 percent of the profits earned above benchmark crude prices. The controversial bill passed yesterday.

Reuters, 11:15 April 20, 2006.

Reuters, 20:44 April 19, 2006.

**Exxon CEO Sees Energy Independence as Unachievable Goal for U.S.**

Speaking at a conference in Rotterdam, Rex Tillerson, CEO of Exxon Mobil stated that energy independence for the U.S. is not achievable and may not be desirable in a global economic setting. Using the recent example of European refineries sending products to the U.S. following hurricanes Katrina and Rita, Tillerson argued that interdependence provides the best protection against an energy crisis.

Bloomberg, 10:12 April 20, 2006

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**Natural Gas****Panhandle's Sea Robin Gas Plant Returns to Service April 20**

On Thursday Southern Union Co.'s Panhandle Energy unit said the 750 MMcf/d Sea Robin natural gas processing plant in Louisiana had returned to service after shutting unexpectedly on Sunday. The plant had just returned to full service in late March after sustaining damage from Hurricane Rita and starting partial service near the end of 2005.

The plant normally processes 439 MMcf/d.

Reuters, 12:18 April 20, 2006.

### New Natural Gas Pipeline to be Constructed in Utah

Despite the objections from county officials, Utah County commissioners approved a conditional-use permit for Questar to construct a natural gas transmission pipeline between Lehi and Vineyard. The 20-inch pipeline will provide fuel for the Lake Side power plant, currently under construction. Existing natural gas lines were not sufficient to fuel the power plant, which is scheduled to begin operation in November 2007.

<http://deseretnews.com/dn/view/0,1249,635200820,00.html>

### Spot Sales of Nigeria's Bonney Island LNG Resume for the First time Since Last August

The 17 million mt/year plant in Nigeria resumed spot sales for the first time in eight months, since it declared a force majeure last August due to a pipeline leak and a subsequent fire. Although the force majeure was lifted in September, the company had to clear backlog of supplies before it could begin spot sales.

<http://www.platts.com/Natural%20Gas/News/9784476.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

## Other News

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Nothing to report.

## Energy Prices

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U.S. Oil and Gas Prices April 20, 2006			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	71.96	69.03	50.52
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	7.95	6.99	6.95

Source: Reuters

## Energy Notes

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### Shell's Mars Platform, Largest Oil and Gas Platform in Gulf of Mexico, Soon to Resume Production

[http://biz.yahoo.com/ap/060420/shell\\_exploration\\_hurricane\\_damage.html?.v=1&printer=1](http://biz.yahoo.com/ap/060420/shell_exploration_hurricane_damage.html?.v=1&printer=1)

### Holly Energy Partners Considering 50,000 b/d Product Pipeline from Salt Lake City to Las Vegas

Reuters, 19:46 April 20, 2006.

### Power Blackout Hits 13,000 Customers in Campbell County, Kentucky April 19

<http://news.cincypost.com/apps/pbcs.dll/article?AID=/20060419/NEWS02/604190364/1011/RSS02&template=printpicart>

### Minnesota Power, FPL Energy Break Ground on 50 MW Wind Farm in North Dakota

Reuters, 15:39 April 20, 2006.

**Beaver Valley Power Station Unit 1 Achieves World- Class Performance As it Exits Outage April 19**

<http://biz.yahoo.com/prnews/060420/clth019.html?v=49&printer=1>

**Monday's Rolling Blackout in Texas Raises Concern for Need for More Generating Capacity**

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=6576042](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6576042)

**ICC Orders People Energy Co. to Further Investigate Natural Gas Pipeline Corrosion**

[http://pro.energycentral.com/professional/news/gas/news\\_article.cfm?id=6579566](http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=6579566)

**UK North Sea Oil Production Drops 10 Percent in 2005**

Reuters, 08:17 April 20, 2006.

**Chavez – Venezuela Will Burn Oil Fields If US Attacks**

Reuters, 15:39 April 19, 2006.

**French Minister Urges Weekly Release of European Oil Data to Counteract Negative Impact of U.S. Data on World Energy Markets**

Bloomberg, 12:34 April 20, 2006.

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## Links

***This Week in Petroleum*** from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

***Weekly Petroleum Status Report*** from EIA

[http://www.eia.doe.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

Updated at 10:30 AM and 1:00 PM EST every Wednesday.

***Natural Gas Weekly Update*** from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

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<http://www.oe.netl.doe.gov/ead.aspx>